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SUBJECT: MILLENNIUM CHALLENGE CORPORATION SCORECARD  
DELIVERED

REF: MCC SCORECARD E-MAIL FROM DESK

¶1. On October 5, DCM and econoff delivered Millennium Challenge Corporation (MCC) scorecard talking points to the MFA's Director of the Americas Desk, Ambassador Abdellah Tazi. Tazi accentuated the positive after learning how Morocco's promotion from MCC's Low Income Country (LIC) category to the Lower Middle Income Country (LMIC) category impacted the scorecard. Compared to previous years, increased competition within the LMIC category has caused Morocco to fall below the median score in the scorecard's measurement of Government Effectiveness, although it is within the margin of error. DCM reassured Tazi that MCC's work on Morocco's existing Compact proposal would not be interrupted by the new scorecard results because it is based on the country's eligibility from 2005 and 2006. The DCM emphasized that Morocco's Compact remains a priority for MCC, and that due diligence on the Compact proposal is proceeding.

The DCM said that on November 8, the MCC Board of Directors will meet to discuss Morocco's performance and decide on its 2007 eligibility.

¶2. Drawing on guidance provided by MCC's Senior Country Director Michael Grossman, the DCM also emphasized the following points to Tazi:

-- Although Morocco scored below the median in the Government Effectiveness measurement, it was within the margin of error and the MCC Board of Directors will determine how to evaluate this result in light of current trends in Morocco related to democratic reform.

-- While post does not know exactly what caused the change in Morocco's score, MCC will analyze the result and discuss it with the GOM in greater detail in the future. However, the Board of Directors takes democratic governance indicators very seriously.

-- Rating indicators are more competitive for the LMIC category than for the LIC category.

-- It is possible that prior to signing a potential Compact Agreement with any candidate country the MCC would ask it to provide a corrective action plan for areas where the country received a deficient score.

¶3. Tazi was concerned that Morocco had scored under the median on several other measurements and questioned the various NGOs whose reports form the basis of the scorecard. However, he appreciated that work on the country's existing Compact proposal would continue, and said that the GOM was determined to make the MCC program in Morocco a success.

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